

Financial/Performance Audit of the San Bernardino County Special Districts Department



**Prepared by:
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December 2002



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January 15, 2003

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Dear Mr. Marzullo:

Please find enclosed a draft of KPMG's Financial/Performance Audit of the San Bernardino County Special Districts Department.

We would like to thank you and your staff for your cooperation in this study. We hope that this report will be useful to you in your continuing efforts to provide services to the residents of San Bernardino County, in particular those residents served by special districts.

We also appreciate the support and assistance provided by the San Bernardino County Auditor-Controller's Office that served as the project manager.

Very truly yours,

KPMG LLP

CC. County of San Bernardino Auditor-Controller



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SAN BERNARDINO COUNTY SPECIAL DISTRICTS DEPARTMENT

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I. INTRODUCTION

The County of San Bernardino (County) requested that KPMG LLP (KPMG) review and evaluate certain operations and aspects of the Special Districts Department. More specifically, KPMG was asked to address the following tasks.

- A. Review management practices, accounting and administrative controls for adequacy and conformance with County Policies and procedures, exclusive of fire operations.
- B. Insure that published plans, policies and procedures are current and directly reflect existing operations, exclusive of fire functions.
- C. Conduct an evaluation of the system of internal controls.
- D. Provide an assessment of the Department's efficiency and effectiveness in achieving its goals, exclusive of fire functions.
- E. Ensure that Department costs are being equitably allocated to the assigned Board-governed special districts, exclusive of fire functions.
- F. Auditors are expected, in addition to other audit techniques, to conduct interviews at all levels of the organizational hierarchy in the course of this audit.
- G. Evaluate whether the rate structure in water and sanitation districts is reviewed regularly to confirm its ability to fund operating expenses and replace infrastructure.
- H. Review whether controls over water and sanitation revenues (assessment, collection, write-off) are effective.
- I. Evaluate how public safety issues are monitored for road and water districts and whether risks are mitigated adequately with limited funding.
- J. Identify regulatory requirements (water, sanitation, and road) and review reporting accuracy and timeliness.
- K. Review cost allocation between fire and non-fire districts (computer hardware/software) (car wash expenses).
- L. Evaluate purchase orders for compliance with \$25,000 P.O. limitation (computer workstations).
- M. Evaluate whether car maintenance is performed only on vehicles on Board-governed special districts/County Fire vehicle list.
- N. Review CSA 70 HL expenses to determine whether the current year budget is used to pay prior year's bills.
- O. Evaluate whether new vehicles assigned to Division Chiefs are appropriate.

II. EXECUTIVE SUMMARY

KPMG conducted a review of the Special Districts Department (Department) pursuant to the assigned tasks set forth in its agreement with the County of San Bernardino (County). These tasks are also presented in the Introduction to this report that precedes this section.

We did not find any major problems with the Department. In several instances we did identify opportunities for the Department to improve its operations to become more effective and efficient.

In this Executive Summary we have set forth our conclusions and recommendations in a summarized format.

Management Practices

- ❑ Regarding management practices, KPMG found that Department employees are provided with information on the direction of their respective Divisions and the Department. This is accomplished with regular scheduled meetings of Department management staff and the Department's Director; regular scheduled meetings between Division Chiefs and their supervisory staff; regular scheduled meetings between supervisors and line staff; and internal memoranda on key issues; informal ad-hoc meetings and e-mails. However, direction is not provided through the development and communication to employees of Department and Division goals and objectives.
- ❑ An understanding of direction and priorities is evidenced by major projects underway or soon to be implemented in each of the Divisions. These projects exemplify an understanding on the part of management that Department and Division direction and priorities encompasses the need to implement significant projects to improve the delivery of services to their customers. However, we did not find evidence of a Department master list used for managing the planning, implementation and completion of these significant projects.
- ❑ The priority that underlies all Department activities is customer service. Although customer service is expressed as a very important priority, most employees were not aware of the Department's mission statement that contains the concept of customer service.
- ❑ The nature and extent of performance standards and measures varies between Divisions. Performance standards and measure serve as a basis for evaluating organization strengths and weaknesses; and determining subsequent strategies for improving organization performance.
- ❑ We did not find any instances of employees having inadequate information on how to perform their jobs. There was also a clear understanding of responsibilities and authority for respective positions.
- ❑ Management at all levels of the organization follows-up on assigned projects and tasks on a regular basis. We found evidence in the form of project to do lists, internal memos, and meeting agendas that management follows-up with its staff on assigned projects. In some instances we found that the approach used was not based on a documented and comprehensive project checklist. In these instances management runs the risk of not following through on its implementation objectives.

- ❑ The Department uses a capital improvement program project management software application for major capital improvement projects.
- ❑ Our discussions with management and staff pointed to management's willingness and commitment to working with staff to make changes and improvements.
- ❑ Management at all levels keeps employees informed of important issues, projects and activities that are relevant to their role in the organization. This is achieved through regularly scheduled staff meetings, internal memoranda and e-mails. Additionally, these formal methods of communication are supplemented by on-going ad hoc discussions and meetings as are deemed necessary.

Recommendations

The Department and its Divisions should develop goals and related performance objectives. These goals and objectives will provide employees and external stakeholders with valuable information on Department direction.

Each Division should prepare a master list of its significant projects that facilitates the management of these projects. Such a list should include categories related to deadlines for delivering project elements and the final work product, key tasks, and accountable staff. These lists should be an important element of Department and Division management meetings. They will also be a resource for communicating to employees and stakeholders significant Department accomplishments, projects and activities.

Each Division should establish and document goals and objectives that are directly linked to and support the Department's mission. The Divisions should also establish performance measures, for both effectiveness and efficiency that are linked to these objectives. Some Divisions, such as Water and Sanitation, will already have certain performance measures that are required by health related governing bodies and the agreements that established its Districts. However, they are not consolidated in such a manner as to effectively demonstrate and track their accomplishment.

The Department and each Division's management should develop a more formal practice for tracking the status and progress of those activities and tasks that are significant in nature.

Plans, Policies and Procedures

The Water and Sanitation Division is responsible for submitting compliance reports to several regulatory agencies. To ensure that these reporting requirements are met, the Division maintains a database that sets forth all required reports, the agency to which the report is to be submitted, the Division location of the data for the report, technical reporting requirements, the reporting process and a sample report.

The Water and Sanitation Division is in the midst of a project to consolidate into one document the respective rules and regulations for each of the 10 Sanitation Districts and 10 Water Districts. The project's objectives are to consolidate and update these rules and regulations, ensure consistency in wording and application of the rules; ensure that related business processes are current and achieve efficiencies in work efforts.

The Water and Sanitation Division has prepared an office procedures manual for its Crestline Office and has plans to develop a similar manual for the Victorville office. The Operations,

Information Services and Fiscal Services Divisions do have technical or administrative/office manuals.

The Fiscal Services Divisions has desk procedures manuals and is revising a Fiscal Division Policy Manual. The Operations Division does not have policy and procedures manuals.

Recommendations

Each Division should take an inventory of its respective required policies and procedures manuals and documentation and ensure that they are current. The Water and Sanitation Division has created a database to manage its regulatory compliance reporting and hopes to migrate this information to an intranet website. Its efforts should be the blueprint for the other Divisions to follow.

Internal Controls

KPMG reviewed internal controls related to payroll, purchasing, budgeting and inventory operations. The Department's payroll, purchasing and budgeting practices are substantially governed by County systems. We did not identify any control problems with these Department practices based on our test work and review of relevant documents.

Current methods for managing Water and Sanitation Division inventory are not systematic and comprehensive. The Division plans to implement an inventory management component as part of its maintenance management system implementation project. The inventory management component has been implemented in the Fire Department and is also being used by the Department's Technology Division.

Recommendation

The Department should continue with its efforts to implement the inventory management component as part of its maintenance management system implementation project. This inventory component will be an important inventory management tool.

Efficiency and Effectiveness in Achieving Goals

KPMG did not find evidence that the Department was inefficient and ineffective in achieving its established mission. We saw evidence in many areas that it is responsive, flexible, effective, accountable and committed to providing its services; and improving them whenever feasible. We also found ongoing efforts to improve efficiency and effectiveness; and decision-making regarding staffing and other resources that considered efficient use of Special District revenue.

In many instances, regulatory bodies whose regulations compel the Department to operate at established performance standards confirm Department effectiveness. The customers it serves, who directly pay for services received, also compel the Department's effectiveness. It must also adhere to certain County government regulations, policies and procedures.

Recommendation

In other sections of this report we recommend that the Department and each Division develop goals and related objectives and performance measures. The performance measures, in particular, should include effectiveness and efficiency measurement. It will be important for

the Department to use these measures not only as management tools, but also to incorporate these measures into communications to its stakeholders. These communications should describe Department efficiency and effectiveness; and how it is improving its efficiency and effectiveness.

Allocation of Department Costs To Board-Governed Special Districts

On the basis of documents reviewed and interviews with Department staff responsible for cost allocation, KPMG observed that the Department applies its cost allocation in a structured and consistent manner. Additionally the Department describes its approach for allocating costs in various documents distributed internally and externally. The basis of allocation used by the Department is operating budget size as a percentage of the total budget for all Special Districts. The Department's methodology is consistent with methods commonly used by other public entities throughout the United States.

KPMG observed that the Department has not documented the calculation formulas and methodologies incorporated into the electronic spreadsheets used to review, analyze and establish its allocation of costs to the Special Districts. This creates the risk of inconsistent application of the methodology over a longer term, and the risk of loss of institutional knowledge if key staff discontinue their employment with the Department. Also, without a documented methodology oversight or review is difficult, and there is the risk that a verbal explanation may be misunderstood or mis-communicated.

Recommendation

KPMG recommends that the Special Districts Department document the electronic spreadsheet calculation methodology employed for allocating costs to Board governed Special Districts and regularly update it as needed.

Interviews at All Levels of the Organization

In addition to our audit methodologies KPMG was requested to conduct interviews at all levels of the organization hierarchy. Therefore, we interviewed 16 non-management staff, in addition to our other audit tasks that required interviews with Department management and staff responsible for specific operations related to this audit. The interviewees were line, supervisory or lead staff. All interview responses are confidential.

What we found.

Management quality. The majority of interviewees expressed positive comments about management staff.

Policy and procedures manuals. We found that the only staff that regularly used manuals was technical staff that relied on technical manuals to confirm technical requirements and/or related policies and procedures. Some staff made use of procedures manuals when they commenced employment to ensure they performed job tasks correctly.

General working conditions. We found physical and intangible working conditions to be very good. We were not informed of any inadequate or inferior working conditions

Employee quality. The employees we interviewed appeared to be capable and committed to providing effective and efficient services to Department customers. All were very cordial and willing to discuss the questions we posed.

Regular Review of the Rate Structure in Water and Sanitation Districts and its Ability to Fund Operating Expenses and Replace Infrastructure

The rate structures for the Water and Sanitation Districts are reviewed regularly to confirm their ability to fund operating expenses and replace infrastructure based on our testwork and review of relevant documents.

Controls over water and sanitation revenues

The controls over water and sanitation revenues are effective.

Recommendation

The Department does not maintain documented policies and procedures describing the processes used to bill customers and collect payments. Although the Department has effective procedures in place to bill for services and collect payments, it does not maintain any documents describing these procedures. This can result in a loss of accountability and a weakened internal control environment over billings and collections. The Department should develop and maintain documented policies and procedures related to customer billings and cash collections.

Monitoring Public Safety Issues for Road and Water Districts and Whether Risks are Mitigated Adequately With Limited Funding

Road safety is delegated by each District to the Department. Each District, through the Department, is responsible for maintaining safe roads. The specific criteria for determining a “safe” road is the responsibility of each District. If a District believes that road quality affects safety it will meet with the Department to resolve the problem. Any change in user rates is pursuant to approval by the Board of Supervisors.

Water safety is monitored and governed by the California Department of Health Services. The Districts delegate to the Department day-to-day operations responsibility for monitoring and ensuring safe operations. If funding is not sufficient the Department meets with the respective District regarding the need for an increase and the recommended rate level. Final authority for a rate increase lies with the Board of Supervisors to whom the Department recommends the rate increase.

Reporting Accuracy and Timeliness For Regulatory Requirements (water, sanitation, and road)

The Water and Sanitation Division is aware of pertinent regulatory requirements. We did not find any instances in which the Division did not adhere to reporting accuracy and timeliness requirements.

The Operations Division, although not bound by technical regulatory requirements outside the scope of the agreements establishing each Road District, continually reviews the quality and status of Road Districts, primarily through its own efforts and the efforts of property owners and advisory committees.

Cost Allocation Between Fire and Non-Fire Districts (computer hardware/software) (car wash expenses)

We found no discrepancies or problems regarding cost allocation between fire and non-fire districts in general, nor regarding computer hardware/software and car wash expenses.

Purchase Orders Compliance With \$25,000 P.O. Limitation (computer workstations)

Based on our test work we found the Department to be in compliance with the \$25,000 P.O. limitation.

Car Maintenance Performed On Vehicles on Board-Governed Special Districts/County Fire Vehicle List

We did not find evidence that car maintenance is being performed on privately owned vehicles by County staff. Systems are in place for monitoring the use of parts and supplies and vehicle repair logs that mitigate against unauthorized repair activities. Additionally, County policy is explicit in forbidding repair of privately owned vehicles. We should also note that possibly the best and only way to identify unauthorized repairs is by visual identification. A review of documents, repair logs and tracking systems may sometimes identify discrepancies, but they for the most part will only identify authorized and normal practices.

CSA 70 HL Budgeting and Payment of Expenses

The Department has resolved the problem that was occurring in CSA 70 HL. It has found a new trash hauler that charges a lower amount than the prior trash hauler and it has worked with CSA 70 residents to establish a new fee structure that is sufficient to pay for the services provided. The Department is paying for current year expenses with the current year budget.

Appropriateness of New Vehicles Assigned to Division Chiefs

The Department followed County purchasing policies and procedures in purchasing these vehicles. Additionally, the Department has clear policies regarding the use of these vehicles and a rationale for their need. Should the Department and/or County desire, a comparison of vehicle assignments to staff with similar responsibilities in other County Departments may also provide information as to the appropriateness of the vehicles assigned to Department Division Chiefs.

III. FINDINGS AND RECOMMENDATIONS

A. Review management practices, accounting and administrative controls for adequacy and conformance with County policies and procedures, exclusive of fire operations.

Management Practices

To address Department management practices and administrative controls, KPMG applied the following criteria:

1. **Direction and Priorities.** Are employees provided with information on the direction of their respective Divisions and the Department as a whole? Do they know the priorities for their respective Division and the Department? Are there priorities, performance standards and performance measures?
2. **Measuring Achievement and Success.** How does the Department know if it is successful? Is there a way to measure the extent to which employees, Divisions and the Department are achieving their objectives?
3. **Supervision.** Are employees provided with information on how to do their jobs? Are the tasks and projects assigned to employees adequately explained?
4. **Follow-up.** Does management regularly and in a structured way, follow-up on assigned projects and tasks (as appropriate for the nature of the task) to ensure that the work is performed as it should be? As issues or problems are identified, does management work with staff to make changes/improvements?
5. **Budgeting and Costs.** Does management know how it is spending money so that it can effectively and efficiently deliver services? Does it have an understanding, that is also timely, of the costs associated with the services it delivers? Are the budget and/or objectives linked to performance measures?
6. **Communication.** Does management keep employees appropriately informed about important issues, projects and activities that are relevant to their role in the organization? How does management communicate priorities, direction and supervision? What methods of communication are used (e.g., meetings, emails, newsletters) and what are their frequency?

The Department's accounting controls are addressed in task C later in this report. Task C focuses on the Department's system of internal controls.

1. **Direction and Priorities.** *Are employees provided with information on the direction of their respective divisions and the Department as a whole? Are there priorities, performance standards and performance measures? Is there a way to measure the extent to which employees, Divisions and the Department are achieving their objectives? How does the Department know if it is successful and how does it communicate that success to employees, customers and stakeholders?*
-

Direction

KPMG found that Department employees are provided with information on the direction of their respective Divisions and the Department. This communication of information is achieved through:

- Regular scheduled meetings of Department management staff and the Department's Director
- Regular scheduled meetings between Division Chiefs and their supervisory staff
- Regular scheduled meetings between supervisors and line staff
- Internal memoranda on key issues
- Informal ad-hoc meetings and e-mails

However, direction is not provided through the development and communication to employees of goals and objectives at the Department and Division levels.

Recommendation. We recommend that the Department and its Divisions develop goals and related performance objectives. These goals and objectives will provide employees and external stakeholders with valuable information on Department direction. They will know the direction in which the Department and their respective Division is headed. Goals and objectives will also form the basis for establishing performance measures that should be linked to specific goals and objectives. Goals and objectives should be annually updated.

Priorities

The priority that underlies all Department activities is customer service. This priority underlies the activities of staff in direct contact with Department customers, as well as support staff. Due to the nature of its activities, i.e., delivering very specific services to specific customers, this is an appropriate priority. Many employees when asked to name or describe the Department's mission, goal or objective expressed this priority, i.e., customer service.

Although customer service is expressed as a very important priority, most employees were not aware of the Department's mission statement that contains the concept of customer service.

An understanding of direction and priorities is evidenced by major projects underway or soon to be implemented in each of the Divisions. These projects exemplify an understanding on the part of management that Department and Division direction and priorities encompasses the need to implement significant projects to improve the

delivery of services to their customers. They also demonstrate the ability to conceive, plan, develop and implement significant projects. Examples of these significant project priorities, by Division, include:

Operations & Development Services Divisions Project Priorities & Accomplishments

Lenwood Sewer Project. This capital project will provide sewerage services to the community of Lenwood. It required coordination with the Lenwood residents, the City of Barstow, High Desert Estates trailer park; and the use (and required compliance with) a \$3 million grant from the U.S. Environmental Protection Agency obtained by the City of Barstow, and a \$1.5 million grant and a \$2.5 million low interest loan from the U.S. Department of Agriculture.

Lake Arrowhead Fire Station. The Division is constructing an 8,700 square foot fire station for the Lake Arrowhead Fire District.

Merging Operations & Development Services Divisions. On an ad-hoc basis both Divisions currently report to the Operations Division Chief. The Chief of the Development Services Division was activated for military service and is not expected to return to the Department. The objective of the formal merging of the 2 Divisions is to maximize the working relationships, effectiveness and efficiency of staff in what are currently separate operating units. Also, by combining management under 1 Chief the Department is improving its efficiency.

Special District Reorganizations. The Division is considering the feasibility of combining special districts that provide similar services. The result, for example, would be the merging of road districts into a larger countywide road district. The same effort would be applied to street lighting and other districts. The result would be improved financial viability for these services and lower administrative costs.

Water and Sanitation Division Project Priorities and Accomplishments

Maintenance management software project. Given the substantial number and value of assets for which it is responsible the Division determined that it had to better manage their maintenance. This software application will support the Division in identifying, scheduling and tracking all of its maintenance efforts. The application will also provide more useful and reliable cost information to improve budget development and control, as well as improving the Division's efficient use of its resources. This project will commence operation in approximately 8 months. The software application also contains an inventory management component.

District rule and regulation consolidation. The Water and Sanitation Division is in the midst of a project to consolidate into one document the respective rules and regulations for each of its 10 sanitation districts and 10 water districts. The project's objectives are to consolidate and update these rules and regulations;

ensure consistency in wording and application of the rules; ensure that related business processes are current; and achieve efficiencies in work efforts.

Integrated Utility Management System. The Division is planning to improve the collection, storage and reporting of its administrative and operational data. This system, based on a standard industry specific software application, will serve the Victorville and Crestline offices and include the following modules: General ledger, budget and forecasting, accounts payable, accounts receivable, utility billing, fixed asset management, integrated report writer/generator, operations management, and customer service.

Water & Sanitation Intranet Website. An intranet site is being developed to house Water & Sanitation business information. The initial information to be loaded on the site includes: Staff list and phone numbers; calendars, i.e., upcoming meetings, duty calendar, conference rooms, master report calendar; forms i.e. T.L.R., overtime, daily time and activity; reports, i.e., policy, MOU, tail Gate, telemetry, master reports with PDF examples.

Zones J, 64 & Landers Telemetry. Zones J, 64 & Landers are being added to the Division network. This will allow greater accessibility and control of telemetry. 800 numbers were added to Landers, Zone L and the annex allowing on-duty staff access and control.

Meter Reading Efficiency Project. The Division is implementing new software to increase the efficiency of its meter reading. With the increased efficiency, more time will be available for maintenance activities.

Regulatory Reporting Master Calendar. The Division's regulatory reporting database will be converted to the Division Intranet Site upon its implementation. This database contains information on all required regulatory reports, including requesting agency, data location, and submission frequency.

Capital Planning Commencing in fiscal year 1999/2000 the Department initiated rate restructuring in all water and sanitation districts to ensure capital replacement funds and reserves. In fiscal year 2002/2003 \$20.8 million in infrastructure projects are projected and a total of \$31million in projects are projected through fiscal year 2006/2007.

Capital Project Loans and Grants. The Division has obtained loans and grants and is in the processing of seeking additional loans and grants, to support its capital projects. They include

- ❑ CSA 70, Improvement Zone L was approved for a \$5 million loan from the California Infrastructure and Economic Development Bank.
- ❑ Notice from the California Infrastructure and Economic Development Bank for an additional \$4 million loan for CSA 70, Improvement Zone J has tentative approval and a final application is in progress.
- ❑ A consolidated application under County Service Area 70 will be filed with the California Infrastructure and Economic Development Bank requesting approximately \$11 million in additional funding for various Districts.

- ❑ The State Water Resources Control Board (SWRCB) has approved \$400,000 for CSA 70, Improvement Zone B.
- ❑ The Districts obtained several peak load reduction grants (\$800K) from the California Energy Commission under the SB 5X Incentive Fund Peak Load Reduction/Energy Efficiency Program for Water and Wastewater Facilities.
- ❑ Currently, grant and loan applications are being finalized to submit to the USDA under the Rural Grant Program to construct improvements to several Districts in the Morongo Basin.

Fiscal Services Division Project Priorities and Accomplishments

- ❑ Completed budget development process for 2002-03 fiscal year, which involved a total budget reformat
- ❑ Designed and implemented Access database to track grants and loans by project
- ❑ Completed first draft of desk procedures for each fiscal department position
 - Current objective is to finalize these procedures
- ❑ Implemented and provided training for staff on Microsoft Project to track all construction projects
- ❑ Developed and implemented procedures and calculation method for direct hourly charges to construction projects
- ❑ Implemented on-line ordering of office supplies through Office Depot
- ❑ Developed and received County Management Service's approval for indirect cost rate for construction engineering
- ❑ Designed and implemented new summary, month ended and YTD, financials for SKV105 (fund and cost center for Special District's Administration)
- ❑ Converting all business forms to digital format

Information Services Division Project Priorities and Accomplishments

Current Projects:

- ❑ Designing and implementing SDD Intranet (SDD.net)
- ❑ Upgrading and standardizing servers.
- ❑ Developing new standards for telemetry components adding historical trending and network accessibility.
- ❑ Designing and implementing new phase of SCADA for CSA 64.
- ❑ Creating cooperative team for support of water system between IS and maintenance personnel.
- ❑ Creating an RFP and Board Agenda item for new consolidated billing system.

Projects to be completed by end of Fiscal Year:

- ❑ Implementing and configuring Asset Management and Preventative Maintenance Tracking System.
- ❑ Expanding WAN infrastructure to include all critical node points.

Project priorities for next Fiscal Year:

- ❑ Implement new consolidated billing System.
- ❑ Implement online inventory requisition system
- ❑ Develop report module to compare budgeted and actual expenditures based of Inventory and service request system.
- ❑ Implement GIS platform to support H2ONet and other applications for full integration.
- ❑ Continue to expand capabilities of system to create a complete ERP system.

The provision to KPMG of these major projects took from 1 to 10 working days. (The Operations Division provided the information within 1 day.) Although these projects and/or accomplishments are a high priority, the Department, and the respective Divisions, do not have a master project list for tracking their status; a list that could have been forwarded to KPMG.

Recommendations. We strongly recommend that each Division prepare a master list of its significant projects that facilitates the management of these projects. Such a list should include categories related to deadlines for delivering project elements and the final work product, key tasks, and accountable staff. These lists should be an important element of Department and Division management meetings. They will also be a resource for communicating to employees and stakeholders significant Department accomplishments, projects and activities.

The Department should develop a mechanism to report to its staff and important stakeholders on the progress of these projects.

2. Measuring Achievement and Success. *How does the Department know if it is successful? Is there a way to measure the extent to which employees, Divisions and the Department are achieving their objectives?*

Performance Standards and Measures

Performance standards and measures are a means to measure progress in achieving goals and objectives, i.e., success. They also serve as a basis for evaluating organization strengths and weaknesses; and determining subsequent strategies for improving organization performance.

KPMG found that the nature and extent of performance standards and measure varies between Divisions. We found no evidence of efficiency measures in any of the Divisions.

Operations and Planning Division

The Operations and Planning Division provides road, streetlights, television, fish and game, open space, underground utility and park services. It is also responsible for Lake Arrowhead Dam. The Division uses basic technical standards in the delivery of its services. However, it does not have goals and objectives nor documented performance standards, except for a strong commitment to customer service.

Water and Sanitation Division

KPMG found that the Water and Sanitation Division adheres to a variety of water quality and sanitation processing and service delivery standards to measure its performance. These critical standards are related to public health. For example, the Division must adhere to and report on water quality. And for each of its water districts it must adhere to water pressure standards. Also, its sanitation processing is governed by public health standards.

Additionally, the Division is required to meet customer satisfaction expectations. Customer satisfaction is a very important performance measure and is directly related to the underlying rationale of each respective water and sanitation district, i.e., to deliver certain services that have been explicitly requested by property owners. The Division provides the results of these various measurements to each District's citizen advisory body as well as to the agencies that require the reports.

Information Systems Division

The Information Systems Division performs a variety of activities, including:

- Bending conduit and pulling cable
- Telemetry controls
- Video installations
- Building alarms
- Monitoring equipment used by Sanitation and Water Division to monitor quality, etc.
- Business process mapping, translating MOU's for the human resources/payroll function
- Hardware support and maintenance
- Systems support, development and maintenance
- Telephone system maintenance

This Division has one performance measure: To respond to service requests within 1 hour of their receipt. The Division's intention is not to resolve every service request immediately, but confirm receipt of the request, obtain information on the nature of the request and provide a preliminary indication of how and when the request will be addressed. This Division had no other measures, nor goals and objectives.

Budget and Finance Division

The Budget and Finance Division does not have formally documented goals, objectives and performance standards. However, it does operate with the intention of adhering to accounting and budgeting practices and standards. Additionally, County purchasing, accounting and financial reporting standards govern many of the Division's activities.

Recommendations. Each Division should establish and document goals and objectives that are directly linked to and support the Department's mission. The Divisions should also establish performance measures, for both effectiveness and efficiency that are linked to these objectives. Some Divisions, such as Water and Sanitation, will already have certain measures that are required by health related governing bodies and the agreements that established its Districts. However, they are not consolidated in such a manner as to effectively demonstrate and track their accomplishment.

Performance measurement is an essential part of managing organization performance. The heart of managing performance is the combining of effectiveness (doing the right thing) and efficiency (doing things right).

We recommend that each Division develop a formal set of performance measures directly linked to performance objectives. These measures, when reviewed on an historical basis, will assist in identifying ways to deliver services more efficiently and effectively. Some typical efficiency and effectiveness measures are set forth below.

Efficiency measures: They measure the efficiency of a process or service. Efficiency measures include;

- **Per unit costs:** A measure of per unit cost reveals how many resources are consumed in producing a unit of service.
- **Cycle time:** Measures the amount of time it takes for a process to be completed.
- **Response time:** Measures the amount of time it takes to respond to a request for service. Again, it is a key measure of customer satisfaction, as it indicates how much "waiting or queue-time" customers wait for a service response.
- **Backlog:** Measures the amount of work in queue, waiting to be processed. Backlog is a tricky measure, as it can be defined several ways. One way is to measure total work in queue waiting to be processed. Another way is to measure backlog as the amount of work not processed within a required or targeted time frame.
- **Per unit full-time equivalents (FTE's):** Measures how many employees are required to fulfill a unit of work.
- **Staffing ratios:** Another way of looking at staffing is computing a ratio of staffing to a particular function or in comparison to the total organization.
- **Per unit equipment utilization:** Measures the efficient utilization of equipment.

Effectiveness measures: They measure the extent to which the service provided meets the expectations of the customer. This could include measures of:

- **Coverage:** The number of customers you serve.
- **Accomplishment:** Measures the overall outcome or achievement of a program.
- **Quality:** The proportion of service provided without error.
 - The proportion of services provided without a complaint or the ratio of complaints to total services provided.
 - The proportion of service produced at a specified standard.
 - The proportion of services provided with compliments from customers.
 - The number of staff hours of training conducted per year.
 - Staff turnover.
- **Satisfaction:** Customer satisfaction as measured by a predefined survey.

3. Supervision. *Are employees provided with information on how to do their jobs? Are the tasks and projects assigned to employees adequately explained?*

KPMG did not find instances of employees not having adequate information on how to perform their jobs. There was also a clear understanding of responsibilities and authority for respective positions.

4. Follow-up. *Does management regularly and in a structured way, follow-up on assigned projects and tasks (as appropriate for the nature of the task) to ensure that the work is performed, as it should be? As issues or problems are identified, does management work with staff to make changes/improvements?*

Management at all levels of the organization follows-up on assigned projects and tasks on a regular basis. We found evidence in the form of project to do lists, internal memos, and meeting agendas that management follows-up with its staff on assigned projects.

In some instances, in each Division, we found that the approach used was not based on a documented project checklist. In these instances management runs the risk of not following through on its implementation objectives.

The Department also provided information on its Capital Improvement Program (CIP) project tracking system. This system identifies key steps and progress milestones for each project. It is a key management tool that helps to ensure that all important activities are identified; that each activity is placed in the correct sequence of events; and that each activity along with the entire project is completed pursuant to initial plans.

Our discussions with management and staff pointed to management's willingness and commitment to working with staff to make changes and improvements.

Recommendation. We recommend that Department and each Division's management develop a more formal and comprehensive practice for tracking the status and progress of those activities and tasks that are significant in nature. This will be facilitated by the development of Division and Department master lists of projects underway or soon to be implemented.

5. Budgeting and Costs. *Does management know how it is spending money so that it can effectively and efficiently deliver services? Does it have an understanding that is also timely, of the costs associated with the services it delivers?*

The Department's budget management is supported by the County's financial reporting system. Additionally, each respective district has its own financial statement. All general management costs are placed in a Countywide Special District and are allocated as appropriate to all Special Districts. KPMG found that management knew, based on available reporting systems, how it was spending money. Budget and cost control practices are covered in more detail under Task "C Conduct an evaluation of the system of internal controls."

6. Communication. *Does management keep employees appropriately informed about important issues, projects and activities that are relevant to their role in the organization?*

Management at all levels keeps employees appropriately informed of important issues, projects and activities that are relevant to their role in the organization. This is achieved through regularly scheduled staff meetings, internal memoranda and e-mails. Additionally, these formal methods of communication are supplemented by on-going ad hoc discussions and meetings as are deemed necessary.

Department Response

The Special Districts Department (Department) concurs with the recommendation for establishing a set of efficiency and effectiveness performance measures. The Department management staff annually sets goals in preparation for the next fiscal year budget. However, we concur that such goals may not be adequately transmitted to and fully understood by all levels of staff in the Department and the districts.

Due to the large geographic area that the Department covers and the number and variety of municipal services managed, the measures recommended by KPMG will be reviewed by management staff for their use in a practical application to the Department's business concerns.

B. Insure that published plans, policies and procedures are current and directly reflect existing operations, exclusive of fire functions.

The Department maintains and updates a variety of policies and procedures. Some are technical and pertain to operations, such as those related to sanitation operations. Others pertain to employee safety issues and purchasing requirements. There is also the county employee handbook.

We found that the Water and Sanitation Division is responsible for submitting compliance reports to several regulatory agencies. To ensure that these reporting requirements are met, the Division maintains a database that sets forth all required reports, the agency to which the report is to be submitted, the Division location of the data for the report, technical reporting requirements, the reporting process and a sample report. This database was recently developed in July 2002.

The Water and Sanitation Division is in the midst of a project to consolidate into one document the respective rules and regulations for each of the 10 Sanitation Districts and 10 Water Districts. The project's objectives are to consolidate and update these rules and regulations; ensure consistency in wording and application of the rules; ensure that related business processes are current; and achieve efficiencies in work efforts.

Each Water and Sanitation District currently has its own rules and regulations established by the respective ordinance for each District. Most of the policies and procedures are the same. If a specific District has a variation, it would be documented in an appendix or attachment. The regulation wording for some Districts is over 20 years old and is outdated. In the near future the consolidated rules and regulations will be reviewed by County Counsel, the CAO, and citizen advisory groups, prior to a recommendation to the Board of Supervisors for approval.

The Water and Sanitation Division has prepared an office procedures manual for its Crestline Office and has plans to develop a similar manual for the Victorville office.

The Operations, Information Services and Fiscal Services Divisions do have technical or administrative/office manuals. Additionally, the Fiscal Services Division is in the process of revising its Division operations manual.

Recommendations. Each Division should take an inventory of its respective required policies and procedures manuals and documentation and ensure that they are current. This will require the creation of a master list that contains pertinent information such as manual name, organization entity responsible for its maintenance, its physical location and last date it was updated.

Additionally, the Department should consider how best to manage these manuals and documents to ensure that they are current and available to staff. Many organizations are moving to the use of their intranet website as the location for these items. The creation of electronic documentation is usually found to be very efficient and effective. It helps to ensure ready access by employees and that the contents are current.

The Water and Sanitation Division has created a database to manage its regulatory compliance reporting and hopes to migrate this information to an intranet website. Its efforts should be the blueprint for the other Divisions to follow.

Department Response

The Department concurs with the report's recommendation. An inventory of policy and procedures manuals and a master list containing pertinent information regarding the maintenance and location of manuals will be developed. A centralized location in the administrative office as well as appropriate placement in satellite offices will be established.

C. Conduct an evaluation of the system of internal controls.

KPMG reviewed internal controls related to payroll, purchasing, budgeting and inventory operations.

Payroll

The Department's Payroll division is responsible for processing payroll change status forms, ensuring that all employees submit their timecards on time and communicating payroll information to the County's Auditor Controller.

All payroll changes such as additions, deletions, rate changes, etc., must be documented on payroll change forms. An appropriate member of senior management must approve these forms before the Payroll Division processes them. The Department stores Payroll change forms in a locked cabinet. In addition, only the payroll clerks have access by passwords to the HR system, which they use to process payroll change forms.

For each 2-week pay period all employees fill out timecards. Supervisors approve these timecards since they are in a position to observe the employees at work. Employees deliver their timecards to the payroll clerks. The clerks audit the timecards to ensure that vacations were approved and recorded, timecards were approved, etc. If the timecard indicates overtime hours worked, the payroll clerks ensure that those hours were approved by a supervisor. If approvals are not submitted, the clerks contact the supervisors to verify the accuracy of the timecards. Subsequently, the clerks batch the cards and submit them to Auditor Controller for processing. The Auditor Controller processes paychecks on behalf of the Department. Most employees choose to receive their pay via direct deposit.

The Audit Controller provides a bi-weekly payroll report to the Department. The report shows the total hours paid per employee per Division and several other metrics such as vacation hours claimed, overtime hours claimed etc. In addition, the report shows available positions, field positions, etc. The Payroll Division keeps these reports in locked cabinets since the information is confidential. Senior management reviews these reports in order to make decisions budget decisions.

Conclusion. The Department's payroll practices are substantially governed by County payroll system requirements. We did not identify any control problems based on our testwork and review of relevant documents.

Purchasing

The Department adheres to County's purchasing policies and procedures to procure goods and services. Specific procedures vary depending on the dollar amount of the purchase.

A management level employee must approve purchase orders, which may be generated by either the Department or the County's Purchasing Department. Each year the County Purchasing Department develops a document describing the maximum dollar amounts each employee may approve. The Special Districts fiscal staff reviews all purchase request/orders to ensure that the requesting district has obtained the appropriate approvals. Standard County forms are used for purchase requisitions to ensure accuracy

of information. If approval is required from County Purchasing, the purchase request is forwarded to that Department. If the County approves the purchase, the Special District is allowed to make the purchase.

Once the goods/services are received by the requesting Special Districts Department/ Division/District, respective staff certifies that they are satisfied with the goods received and forward the invoice to the Purchasing unit at the Department. Purchasing unit staff reviews the invoice for mathematical accuracy and agreement with the purchase request/order. If no discrepancies are found, they forward the payment documents to the County's Auditor-Controller. The Auditor-Controller is responsible for paying vendors on behalf of the Department. Segregation of duties is enforced through this system of internal controls. Individuals who approve purchases do not have direct access to cash disbursements and invoices are approved by those other than buyers.

Conclusion. County purchasing system requirements substantially governs the Department's purchasing practices. We did not identify any control problems based on our testwork and review of relevant documents.

Budgeting

The Department uses a structured and standardized budget calendar with systematic deadlines to construct its budget in a timely manner. The process starts with the Auditor Controller's office providing the Department with property tax revenue estimates that includes revenue estimates for the upcoming year. These estimates pertain to those special districts for which user fees are collected as an element of the property tax bill. The Department then requests the Districts to provide year-end estimates of expenditures and revenue to be received.

Once the Department receives these estimates from the Districts, they prepare District budgets. The District managers, assistant chiefs and the chiefs review these documents throughout the process. The budgets are then revised based on any changes requested by the reviewing parties. The final budget is adopted at the end of June each year. During this process, fee information is revised and updated for the upcoming year. This information is communicated to the Districts, which include it in their budget estimates.

The Department provides the Districts with their estimate of the administrative surcharges to be levied against them in order to support the operations of the Department. These estimates are also included in the District budgets.

Each month, the Department receives budget spend-down reports from the Auditor Controller's office. The Department formats these reports and forwards them to each District. The Districts have the opportunity to review them and request corrections as needed. They use these reports as a management tool to make business decisions on a regular basis. The Department reviews these reports in order to track and manage the budgets of each District and prevent them from over spending.

All budget adjustments, subsequent to budget approval by the Board of Supervisors, must be made after appropriate approval from the Board of Supervisors.

Conclusion. The County financial reporting substantially governs the Department's budget development and tracking practices. The Department is responsible for setting

District budgets and their subsequent management. We did not identify any control problems based on our testwork and review of relevant documents.

Inventory

The Department's Water and Sanitation Division purchases inventory through the Department's fiscal staff in accordance with the County's procurement rules. These rules require that purchases be made only from an approved vendor. The Division maintains inventory of parts and materials at its various locations throughout the County. Its inventory is typically stored in sheds, fenced lots and enclosed workshops. Some inventory, such as tools, etc., is also stored in vehicles.

The inventory at a particular location is managed by the crew chiefs responsible for working from that location. The Division does not have an inventory manager who is responsible for tracking items owned by the department.

Crew chiefs have access to locked inventory storage locations and are responsible for tracking the tools and materials that their staff use for their tasks. The Division does not use an inventory requisition system in order to issue parts/tools to its employees. Additionally, it does not use tracking logs to maintain accountability for inventory items being used in the field.

At the Crestline location, the Division has a vehicle maintenance workshop in which inventory is stored. The workshop is secured with a security system and a reinforced fence. Although several items appeared to be labeled, there does not appear to be a standard method of labeling and tracking inventory items. The inventory is locked up during non-business hours to prevent theft.

At the wastewater treatment plant in Crestline, KPMG noted that the inventory is very well organized and stored in secured sheds. However, the lack of inventory tracking mechanisms leads to a weakened internal control environment over inventory.

The Division provided KPMG with a list of tools, included in their inventory. This list included items with a historical cost between \$999 and \$4,999. They indicated that items that cost more are inventoried using a tag provided by the County. However, KPMG was unable to verify the existence of such tags on several high-dollar items. We were informed that the items had been received within the previous 2 weeks and County paperwork that includes an inventory tag had not yet been received. We also observed that County's red adhesive based inventory tags could easily be removed from equipment. Additionally, KPMG was unable to corroborate the Department's inventory tracking practices.

The Division conducts inventory counts every six months. It uses these counts to identify unusual fluctuations in inventory levels and update their inventory listings. However, due to the lack of an electronic perpetual inventory tracking system, they are unable to reconcile the amount of inventory they have against a predetermined list. Currently, the Division's inventory system is paper based.

The Division is in the initial stages of implementing a formal maintenance management system based on a specialized software application called Avantis. This system includes an inventory management component. It has recently been implemented in the Fire

Department; and is being used by the Department's Technology Division to manage its inventory of computer, cell phones and telemetry equipment. Pursuant to current plans, staff informed KPMG that the Avantis inventory system will be implemented in the Division by mid-year 2003.

Recommendation. We recommend that the Department continue with its efforts to implement the inventory management component as part of its maintenance management system implementation project. The inventory management component should include:

- Standards to identify items which must be inventoried, e.g., all tools above \$1,000, all inventory over \$500, etc.)
- Require that all inventory items be labeled in a consistent manner to provide for individual identification numbers for each item.
- An inventory log listing of all inventory items owned by the Department, with their historical cost, location.
- Track accountability for inventory items through a system of check-in/check-out logs and periodic inventory counts.

Department Response

The Department concurs with the recommendation to continue with the planned implementation of the Avantis inventory-tracking system that includes all aspects of the components recommended.

D. Provide an assessment of the Department's efficiency and effectiveness in achieving its goals, exclusive of fire functions.

The Department, as well as each Division, does not have formal goals and objectives. It does have this mission statement.

Mission Statement

"We, The Special Districts Team, under direction of the Board of Supervisors, set the standards for excellence in local government, promoting safe, healthy and dynamic communities. We create and manage essential systems and facilities tailored to individual neighborhoods. We dedicate our ingenuity and expertise to identifying community needs, balancing requirements for today with the people's vision of their community of tomorrow. Exemplifying the highest standards of our professions, we implement community programs effectively and economically with available and developed resources.

Confident that the peoples' voices is a necessary ingredient in the partnership for creation of good government, we actively solicit input from community groups and citizens.

We commit to be:

Responsive to the people
Flexible and innovative in resolving issues
Effective and timely in the implementation of programs
Accountable for decision making
Guided by the unique skills and total commitment each member brings to the team

Our success is measured by:

- The communities willingness to financially support and utilize recommended programs
- Balanced growth and development that enhances the quality of life
 - Trust and confidence in the Special Districts Team

We commit to this mission understanding individual diversities need to be supported and aligned to a common goal."

KPMG did not find evidence that the Department was inefficient and ineffective in achieving its established mission. We saw evidence in many areas that it is responsive, flexible, effective, accountable and committed to providing its services; and improving them whenever feasible. At all levels of the organization we found employees who desired to do what is right for the communities they serve. We also found ongoing efforts to improve efficiency and effectiveness; and decision-making regarding staffing and other resources that considered efficient use of special district revenue.

In many instances, regulatory bodies whose regulations compel the Department to operate at established performance standards confirm Department effectiveness. The customers it serves, who directly pay for services received, also compel the Department's

effectiveness. It must also adhere to certain County government regulations, policies and procedures.

The scrutiny that the Department receives from each of its special districts, in particular those with active citizen advisory groups, provides an ongoing focus on efficiency and effectiveness. Many citizen advisory groups, particularly for the water and sanitation districts, actively review their district budgets, services provided and related staffing levels.

Recommendation. In other sections of this report we recommend that the Department and each Division develop goals and related objectives and performance measures. The performance measures, in particular, should include effectiveness and efficiency measurement. It will be important for the Department to use these measures not only as management tools, but also to incorporate these measures into communications to its stakeholders. These communications should describe Department efficiency and effectiveness; and how it is improving its efficiency and effectiveness.

Department Response

The Department concurs with the recommendation for the development of more specific goals and objectives and performance measures, and, has noted and concurs with the similar recommendations in other sections of the report.

E. Ensure that Department costs are being equitably allocated to the assigned Board-governed special districts, exclusive of fire functions.

Findings

According to Department staff indirect costs are allocated to Special Districts via the organization structure under which the Department operates. The Department divides costs to be allocated to Districts into two major categories – Salaries and Benefits, and Services and Supplies. For purposes of allocation, the Department uses preliminary budget figures, which the staff calculates by adding a certain percentage to the previous year's budget. The Department does not use final budget numbers because at the time that the cost allocation rates are developed, those numbers are not available. According to staff, the preliminary budget numbers are not significantly different from the finalized budget figures.

Staff allocates the cost of all Salaries and Benefits charged to Fund SKV-105 (in which the Department accounts for non-fire transactions) to the Board governed Special Districts. The Department first allocates a portion of all Salaries and Benefits to the Fire and Hazmat fund (SKX-106) using activity analysis for each position on the payroll. The remaining Salaries and Benefits dollars are further allocated between the various organizations included in fund SKV-105 based on a similar analysis.

The Services and Supplies budget is also allocated in a similar manner. A majority of the budgeted expenditures in both categories are allocated to the Administration (100) organization. The Department then further allocates these amounts to non-fire Special Districts. They use the size of each Special District's budget as a percentage of the total Department budget as a basis of allocation. The remaining organizations in Fund SKV-105 allocate their portion of the budgeted expenditures to only specific Special Districts that use their services. They perform these allocations using the same basis used by the Administration organization.

KPMG reviewed Department materials that document its allocation approach. These materials included spreadsheets and various documents, including reports to Special Districts describing the composition and amount of administrative costs. We also reviewed documents that describe the Department's allocation methodology.

Administrative costs that are allocated to the Special Districts encompass Department staff located in its San Bernardino office that focus on management and administration of all board-government special districts providing direct and indirect management, human resources, payroll, budget/finance, operations, construction and inspection services. Administrative costs also include the proportionate share of costs for services provided by the County to support the Special District Administration. These services include County Counsel, Facilities Management, Risk Management, Auditor/Controller, Purchasing and Systems Development.

On the basis of documents reviewed and interviews with Department staff responsible for the cost allocation, KPMG observed that the Department applies its cost allocation in a structured and consistent manner. Additionally the Department describes its approach for allocating costs in various documents distributed internally and externally. The basis of allocation used by the Department is operating budget size as a percentage of the total

budget for all Special Districts. The Department's methodology is consistent with methods commonly used by other public entities throughout the United States.

KPMG observed that the Department has not documented the calculation formulas and methodologies incorporated into the electronic spreadsheets used to review, analyze and establish its allocation of costs to the Special Districts. This creates the risk of inconsistent application of the methodology over a longer term, and the risk of loss of institutional knowledge if key staff discontinue their employment with the Department. Without a documented methodology oversight or review, and there is the risk that a verbal explanation may be misunderstood or mis-communicated.

Recommendation. KPMG recommends that the Special Districts Department document the electronic spreadsheet calculation methodology employed for allocating costs to Board governed Special Districts and regularly update it as needed.

Department Response

SDD concurs with the recommendation to document and regularly update the structured and consistent calculations and methodologies employed for allocating costs to the Board-governed districts.

F. Auditors are expected, in addition to other audit techniques, to conduct interviews at all levels of the organizational hierarchy in the course of this audit.

In the course of this project KPMG met with various management, support and supervisory staff to address specific project tasks. We also met with a variety of line and supervisory staff to assist us in understanding Department operations and processes and management practices.

To obtain additional insights into the department and pursuant to this specific task we interviewed a total of 16 employees. No high level management were interviewed. Most of the interviewees were line, supervisory or lead staff. A copy of the questionnaire we used is in Appendix A of this report. All interview responses are confidential.

We did not attempt to obtain a sample of employees that could be considered to be a statistically valid cross section of all employees. However, we did interview a variety of staff that worked in offices and in the field.

The answers to these questions provided us with background information relevant to many of our other project tasks. Answers to these questions has helped us to assess:

- Management quality
- Availability and use of policy and procedure manuals
- General working conditions
- Employee quality

What we found.

Management quality. The majority of interviewees expressed positive comments about management staff.

Regarding employee performance evaluations, we found that most staff evaluations were based on the County's performance evaluation form. This interview tool uses very general criteria evaluate employee performance. Because the Department does not formally use performance standards at the Division level and below, performance evaluations were very general in nature.

Although not asked directly, several employees stated that their Division and/or the Department was continuing to make progress in improving the service delivery effectiveness and efficiency. Some staff also stated that their Division Chief was a very effective manager.

Although most employees were not aware of the Department's mission statement, almost all stated that customer service was their number 1 priority.

Policy and procedures manuals. We found that the only staff that regularly used manuals was technical staff that relied on technical manuals to confirm technical requirements and/or related policies and procedures. Some staff made use of procedures manuals when they commenced employment to ensure they performed job tasks correctly. Other staff was able to learn their positions from supervisory staff and colleagues. Other interviewees stated that due to the technical nature of their position

and prior employment there was not a need to use a policy and procedures manual for job training.

General working conditions. We found physical and intangible working conditions to be very good. We were not informed of any inadequate or inferior working conditions

Employee quality. The employees we interviewed appeared to be capable and committed to providing effective and efficient services to Department customers. All were very cordial and willing to discuss the questions we posed.

Department Response

The Department concurs that the management and employee quality and general working conditions of the Department are good. The Department will initiate a process to update its mission statement and involve employees at all levels. The Department will coordinate the efforts with the County's EXCL Program.

G. Evaluate whether the rate structure in water and sanitation districts is reviewed regularly to confirm its ability to fund operating expenses and replace infrastructure.

Findings

KPMG reviewed a copy of a rate study conducted by the engineering firm Black & Veatch in 1999. Black & Veatch produced rate calculation models for each Special District. The Water and Sanitation Division uses these models annually to update their rates. Also, on an ongoing basis the Division uses Black & Veatch in reviewing rate structures. The use of consulting firms that specialize in water and sanitation services and related rate setting is very useful in helping the Division to ensure that its Special Districts are provided with sufficient service levels.

KPMG noted the models used by the Division take into account desired reserves, projected capital and operating expenditures and projected revenues to calculate updated rate structures for each Special District. According to staff, the Division reviews and revises, as necessary, these rates annually. Staff also stated that implementation of revised rates is subject to approval by the Board of Supervisors. Prior to consideration by the Board of Supervisors rates are reviewed by affected property owners or citizen advisory groups.

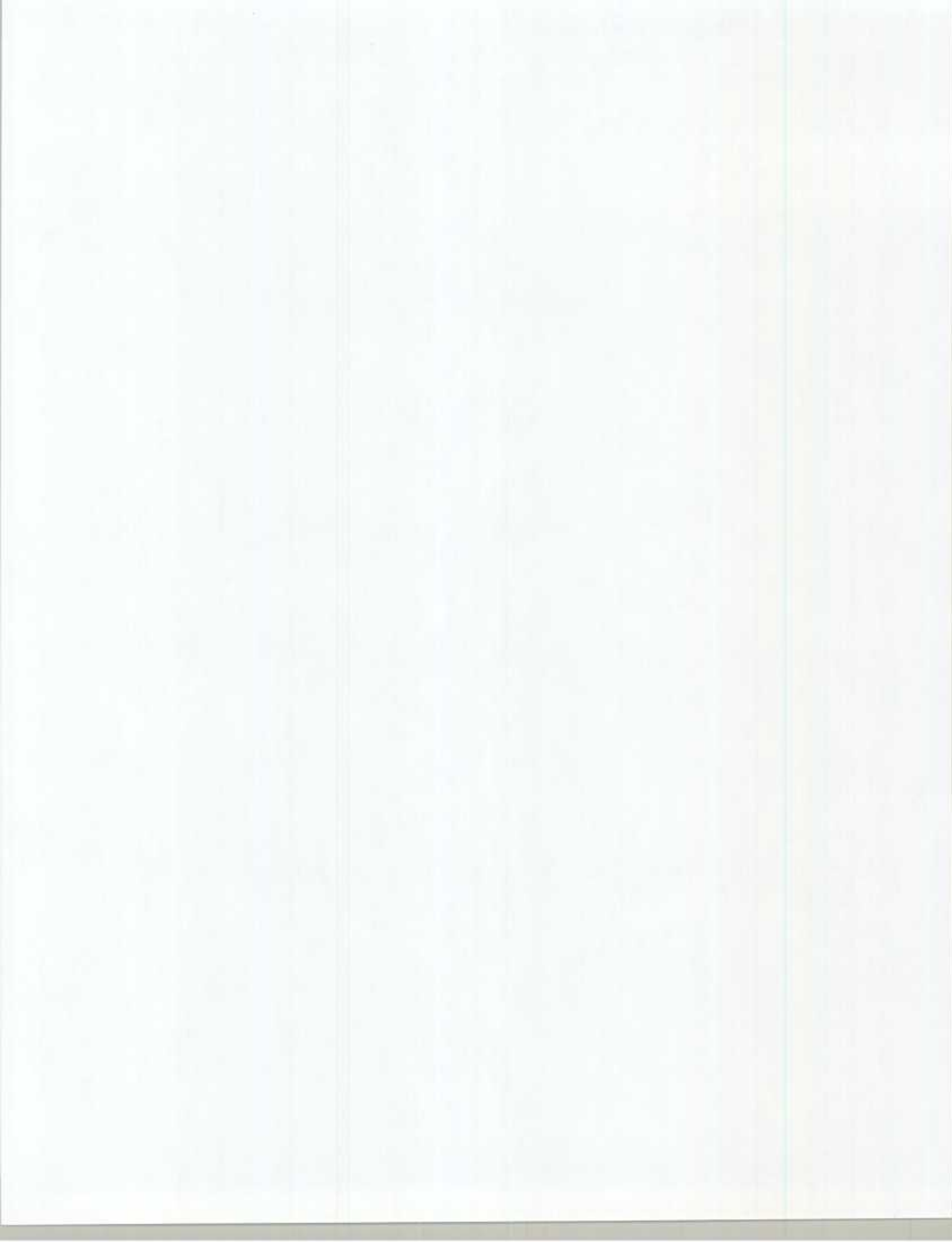
KPMG reviewed a variety of documents to confirm that the rate structure for respective Water and Sanitation Districts is reviewed regularly to ensure that there are sufficient revenues to fund operating expenses and replace infrastructure. We saw evidence of this in the following types of documents:

- Public hearing announcements
- Notices to Special District customers regarding increases in service fees
- Rate studies by outside consultants
- In-house analyses analyzing existing and proposed fees for the upcoming fiscal year
- Status reports on fee implementation for various Special Districts
- In-house memoranda regarding rate structure planning and implementation

Conclusion. The rate structures for the Water and Sanitation Districts are reviewed regularly to confirm their ability to fund operating expenses and replace infrastructure.

Department Response

The Department concurs with the report's conclusion that the rate structures for Water and Sanitation districts are review regularly to confirm their ability to fund ongoing operating and infrastructure costs.



H. Review whether controls over water and sanitation revenues (assessment, collection, write-off) are effective.

Overview

KPMG visited the Department's Victorville office, where a majority of the water and sanitation revenues are collected. KPMG performed a walk-thorough of the office facilities and interviewed the Supervising Fiscal Technician about the assessment, collections and write-off processes.

The Victorville office serves 14,444 Water customer accounts and 13,100 Sewer customer accounts. These customers are divided into 20 districts. Some Districts request water and sewer services while others request one set of services or the other. The office collects revenues either by mail or via walk-in payments. Each customer receives a bill every two months. However, the office cycles its billing workload and prints bills two to three times a week.

Assessment

The Board of Supervisors approves rates charged to users of services provided by the Water and Sanitation Division. The Victorville office receives a rate package from the Board annually, informing it of the rates to be charged for the following year.

A collection clerk enters the updated rate information into the Division's Data Stream billing system. In addition, customer service employees receive a copy of the fee schedule that allows them to inform customers of relevant charges on their account statements. Two employees in the collections group perform spot checks on two or three bills in each billing cycle during the first months after a rate change in order to ensure that the rates have been updated correctly.

Billing

The office employs five meter readers who go to the water meters on each customer's property every two months to obtain a meter reading. They use either a Radio Read, which allows them to electronically download meter readings without physically inspecting a meter, or a hand held Interrogator device, which records meter reading data after the readers have physically inspected the meters. The office requires meter readers to rotate the areas they visit every billing cycle.

The meter readers bring the Interrogator machines back to the office, where two billing clerks download meter data into the Data Stream system. The Data Stream vendor currently maintains and supports this system. The system produces a report showing the meter readings that it has received. The billing clerks review this report to identify and investigate unusual variances in meter readings (+ or - 200%).

Subsequently, a file clerk prints out the bills and prepares them for mailing using a mail-processing machine that places the bills in envelopes. A mail courier retrieves the bills each morning. The office uses the County's bulk mailing service to send out its bills.

Collection

The Water and Sanitation Division requests payment from customers within 30 days of the date of invoice. The office receives payments from walk-in customers and via the postal service every day. If they do not receive a payment during that time, they send a second notice to the customer, informing the customer that the related service may be disconnected if payment is not received within 15 days. The office disconnects water services for 30 to 70 customers per week. Sanitation services, due to the nature of the service, are never disconnected.

Mail Payments

Customers mail payments to a P.O Box. A clerk retrieves these payments from the P.O box and runs the envelopes through a mail processor that is used to open the envelopes.

The clerk then removes the payment stubs and checks from the envelopes. At this time, the clerk examines each check and stub to ensure that the amounts agree with each other. If the amounts differ, the clerk sets them aside for subsequent manual processing. If the amounts match, then the clerk places the checks and stubs in another mail processor that electronically reads the data on the barcode contained on the payment stub. The mail processor also endorses each check and records the amount listed on the stub onto the check.

This machine produces a total of the payments per the stubs and checks. An accounting technician from the fiscal services group within the office then transfers the data from the mail processor into the billing system, which credits customer accounts for payments received. The accounting technician who transfers the data into the billing system prepares a deposit slip and places the checks in an alarmed cabinet in the office.

Walk-in Payments

Two customer service clerks receive all walk-in payments from customers during office hours. They use one cash drawer each. They provide customers with receipts for each payment, and log the payment as a cash receipt for the appropriate account number. They do not have the authority to credit customer accounts. They endorse all checks upon receipt.

At the end of the day, the customer service clerks balance their cash drawers against the totals recorded in their cash receipt systems and their receipt stubs. An employee in the fiscal services group reviews the receipt reconciliation and receives the cash receipts journal, cash and checks and transfers the receipts data to the billing system to credit customer accounts. This employee also prepares a deposit slip and County Distribution Form that he or she places in the alarmed cabinet along with all of the cash and checks.

All payments

Another fiscal services employee verifies the entire deposit before placing it in a sealed plastic bag for the Brinks security service to retrieve the next morning. The checks and cash remain in the alarmed office cabinet overnight. The office premises are alarmed as well. Honeywell security systems control the alarms and four employees know the password. The Brinks security service transfers the money to Bank of America, where it is deposited into the County Treasurer's account. Bank of America provides the office with a bank receipt by mail.

Write-offs

The Department uses the County's Franchise Department to pursue delinquent payments if efforts to contact the customer fail. The County is able to create liens against the property and recover its costs during any subsequent sale of the property. The Franchise Department also uses collection agencies. In addition, they are able to add penalties to subsequent tax assessments with the approval of the Board of Supervisors.

Recommendation. The Department does not maintain documented policies and procedures describing the processes used to bill customers and collect payments. KPMG noted that although the Department has effective procedures in place to bill for services and collect payments, they did not maintain any documents describing these procedures. This results in a loss of accountability and a weakened internal control environment over billings and collections.

KPMG recommends that the Special Districts Department develop and maintain documented policies and procedures related to customer billings and cash collections.

Department Response

The Department concurs with the recommendation to fully document the effective procedures currently in place to bill and collect payments.

I. Evaluate how public safety issues are monitored for road and water districts and whether risks are mitigated adequately with limited funding.

Road Districts.

There are no specific safety regulatory standards to which road districts must adhere. Road quality responsibility is delegated to the Department by the road districts. Safety issues related to the speed of vehicles or how they are driven are not the responsibility of the Department. There are no County owned Special District roads.

Road safety and quality is monitored by:

- Property owners
- Advisory committees
- Department inspections--at minimum each road is inspected annually. The staff person in charge of road inspection "ensures" that all roads are inspected by generally viewing inspection files. There is no systematic method to ensure that all roads have been inspected.
- Department staff who identify problems in the course of performing other work
- Private contractors who happen to see a problem

When roads are constructed or paved, the Department will request bids from contractors, based on required technical specifications. Department staff inspects contractor work during and upon completion of the work.

When there is an identified problem with the quality of a road, the Department repairs the problem itself or contracts with a private contractor. If there is insufficient funds to maintain a road, or portion of a road, the Department will meet with the District to discuss the possibility of increasing fees to cover maintenance expenses. District members determine, with the assistance of the Department, how to ensure road quality that meets their criteria.

Water Districts.

The California Department of Health Services monitors water safety and quality. This state agency has specific water quality and operations compliance performance standards to which the water districts must adhere.

The Department of Health Services has regular water quality reporting requirements and conducts an annual on-site evaluation of water system operations, facilities and equipment. Any identified deficiencies are tracked by this Agency until they have been corrected. Department of Health Services inspections cover operational areas including: water quality, adequacy of well capacity, water pump and storage capacity, and quality, water distribution systems, and adequacy of district facilities.

User rates established by each District are expected to be sufficient to meet all costs, including costs related to water safety, associated with providing water service to the district. If the rates are not sufficient to meet operations expenses the Department calculates the necessary rates to meet all operational expenses and reviews these revised rates with the District citizen advisory council. Final authority for a rate increase lies with the Board of Supervisors to whom the Department recommends the rate increase.

Employee Safety in Road and Water Districts

The Department also has an ongoing employee focused safety program. A County Risk Management Division employee is permanently assigned to the Special Districts and Fire Departments.

The Risk Management Division's activities focus on supervisory safety training, compliance training, employee training, safety manual development, safety coordination training, compliance audits, hazard assessment, management information, management education/communication, loss prevention audits, construction plan reviews and safety staff continuing education.

Program effectiveness is measured on the basis of reportable illness/injury incident frequency and savings measured by reduced direct and indirect costs.

Conclusion. Road safety is delegated by each District to the Department. Each District, through the Department, is responsible for maintaining safe roads. The specific criteria for determining a "safe" road is the responsibility of each District. If a District believes that road quality affects safety it will meet with the Department to resolve the problem. Any change in user rates is pursuant to a decision by the Board of Supervisors.

Water safety is monitored and governed by California Department of Health Services. How water safety is achieved is the responsibility of each Water District. The Districts delegate to the Department day-to-day operations responsibility. If funding is not sufficient the Department and the respective Districts meet to determine if a rate increase is required and how much the rate increase should be. Final authority for a rate increase lies with the Board of Supervisors to whom the Board recommends the rate increase.

Department employee safety is monitored by the County Risk Management Division on the basis of a comprehensive and proactive risk management program.

Department Response

The Department concurs with the report's conclusion that risks are being adequately managed within available funding.

J. Identify regulatory requirements (water, sanitation, and road) and review reporting accuracy and timeliness.

Water and Sanitation

Water and sanitation regulatory and reporting requirements are imposed by the California Department of Health Services, the California Department of Water Resources, the California Water Resources Control Board, the California Regional Water Quality Control Boards, Regions 6 and 8, and the Mojave Water Agency. Below is a list of the reports (provided by the Department) the Department must prepare and submit.

Report Name/Identifier	Agency Requiring Report	Reporting Objective	Reporting Frequency
Water Reporting Requirements:			
Large Water Systems Annual report	Department of Health Services	Update of Facilities/ Operations	Annual
System Inspection	Department of Health Services	Condition of Systems/ Heath & Safety	Annual
System Coliform Report	Department of Health Services	Report to meet State Health Coliform Bacteria Requirements	Monthly
Consumer Confidence Report	Department of Health Services	Mail out to consumers	Annual
Cross Connection Survey	Department of Health Services	Update of potential cross contamination	Annual
Public water systems statistics	Department of Water Resources		Annual
Urban water management plan	State Water Resources Control Board		Every 5 years
Notice of ground water extraction & diversion	State Water Resources Control Board, Division of Water Rights	Update of Ground water extraction	Annual
Water Production report	Mojave Water Agency	Adjudicated Basin	Quarterly
Replacement Water	Mojave Water Agency	Adjudicated Basin	Annual
Makeup Water	Mojave Water Agency	Adjudicated Basin	Annual

Sanitation Reporting Requirements:			
Crestline Sanitation District (3) Wastewater Treatment Plants and Sewer Collection System	Lahontan Regional Water Quality Control Board	Self Monitoring Report to meet Waste Discharge Requirements	Monthly / Annually
Crestline Sanitation District (3) Wastewater Treatment Plants and Sewer Collection System	Lahontan Regional Water Quality Control Board	Report for non approved discharge of sewage (1)	By incident
CSA 70B Silver Lakes Wastewater Treatment Plant and Sewer Collection System	Lahontan Regional Water Quality Control Board	Self Monitoring Report to meet Waste Discharge Requirements	Monthly / Annually
CSA 70B Silver Lakes Wastewater Treatment Plant and Sewer Collection System	Lahontan Regional Water Quality Control Board	Report for non approved discharge of sewage (2)	By incident
CSA 70 S-3 Lytle Creek Wastewater Treatment Plant and Sewer Collection System	Santa Ana Regional Water Quality Control Board	Self Monitoring Report to meet Waste Discharge Requirements	Monthly / Annually
CSD 70 S-3 Lytle Creek Wastewater Treatment Plant and Sewer Collection System	Santa Ana Regional Water Quality Control Board	Report for non approved discharge of sewage (3)	By incident
CSA 64 Spring Valley Lake Sewer Collection System	Lahontan Regional Water Quality Control Board	Report for non approved discharge of sewage	By incident
CSA 82 Trona Wastewater Facility and Sewer Collection system	Lahontan Regional Water Quality Control Board	Self Monitoring Report to meet Waste Discharge Requirements	Semi-annual / Annual

KPMG contacted the California Regional Water Quality Control Boards for Regions 6 and 8. These 2 regional offices, with each office having jurisdiction over certain geographical regions, monitor the Department's sanitation activities and reporting. Both offices informed us that the Department's reports were accurate and on time and that the Department was meeting established regulatory requirements.

Road

There are no formal regulatory requirements pertaining to the approximately 1,500 miles of roads that are constructed and maintained by the Department. They are not owned nor the responsibility of County government. Road related special districts are residential in nature and do not incur heavy traffic volume. Road types range from asphalt to dirt. Department roads are not normally constructed and maintained per county standards. Roads are maintained by Department staff and through private contractors. Maintenance entails:

- Road sealing and paving
- Road scraping
- Grading/dragging
- Maintaining drainage
- Asphalt repair
- Pothole repair
- Maintaining berms
- Maintaining culverts
- Snow removal

Road quality is monitored by:

- Property owners
- Advisory committees
- Staff driving around
- Inspection reports (at minimum each road is inspected annually). The person in charge of road inspection "ensures" that all roads are inspected by generally viewing files. There is no systematic method to ensure that all roads have been inspected.
- Private contractors who happen to see a problem

Conclusion. The Water and Sanitation Division is aware of pertinent regulatory requirements. We did not find any instances in which the Division did not adhere to reporting accuracy and timeliness requirements. The Operations Division, although not bound by technical regulatory requirements outside the scope of the agreements establishing each Road District, continually reviews the quality and status of Road Districts, primarily through its own efforts and the efforts of property owners and advisory committees.

Department Response

The Department concurs with the report's conclusion that regulatory requirements and reporting accuracy and timelines are properly managed.

K. Review cost allocation between fire and non-fire districts (computer hardware/software) (car wash expenses).

Findings

According to staff the costs of Salaries and Benefits that are charged either to Fund SKV-105 (non fire) or SKX-106 (fire) are typically shared between the two funds since several employees within the Department share their time between the Special Districts and Fire Departments.

Within each fund, the employees perform activity analysis to determine the percentage of their time that is spent on each of the two functions. The finance staff in each Department uses these percentages as allocation bases to charge the appropriate fund for a portion of the salaries and benefits expenditures. KPMG reviewed allocations for both funds for the current fiscal year, noting that they appeared to have been calculated in a consistent manner.

The Fire Department does not allocate the cost of services and supplies incurred in Fund SKX-106. If orgs within the fund (e.g. the Information Systems org) purchase specific items that are to be used by a particular District in Fund SKV-105, they charge that Special District directly for those products. As such in this instance, there is no allocation of indirect services and supplies costs between fire and non-fire districts.

The County has contracted with certain car wash vendors to allow county employees to have county vehicles washed at their facilities after having signed a log indicating the registration number of the vehicle being washed. The vendors forward these logs to the Department on a monthly basis, along with an invoice for their services. The Department pays this invoice and reviews the car wash logs to determine how much of the total cost relates to cars belonging to fire districts. The Department's Finance staff then allocates that portion of the car wash expenses to the SKX-106 (fire) fund. KPMG notes that this appears to be a reasonable method of allocating car wash expenses between fire and non-fire Special Districts.

All cost allocations between non-fire and fire activities are reviewed at least annually by the respective organization units. The allocations are annually adjusted, based on prior year experience and anticipated level of activities in the upcoming budget year.

Conclusion. KPMG found no discrepancies or problems regarding cost allocation between fire and non-fire districts, nor regarding computer hardware/software and car wash expenses.

Department Response

The Department concurs with the report's conclusion that no discrepancies or problems in regard to the cost allocations between fire and non-fire districts exist.

L. Evaluate purchase orders for compliance with \$25,000 P.O. limitation (computer workstations).

Findings

KPMG reviewed Department practices for purchasing computer workstations and its corresponding compliance with the \$25,000 P.O. limitation. According to County purchasing policy, purchases greater than \$3,000 must be approved by the County Purchasing Department. For each purchase, quotes are obtained from three vendors pursuant to a County requirement for purchases over \$3,000. (Recently, one of the Gateway computer vendors dropped off the County approved vendor list, so there are only two remaining computer vendors. This has resulted in the Department following a vendor selection process (for Gateways) that is more like a sole-sourcing justification for these purchases, since only two Gateway vendors are asked for quotes.)

Normally, computer hardware purchases, such as computer workstations, are made from a County approved vendor list. These purchases do not need to be presented for approval to County Board of Supervisors if the purchase is made using a vendor from the approved list.

KPMG reviewed the provided list of FY 00/01 and 01/02 purchases. We did identify certain computer equipment purchase orders that if grouped together could be construed as avoiding the County \$25,000 requirement. However, further investigation including discussions with County purchasing staff resulted in the determination that they were individual purchases pursuant to County purchasing policy.

Conclusion. KPMG found the Department to be in compliance with the \$25,000 P.O. limitation with respect to compliance with the \$25,000 P.O. limitation based on our testwork and review of relevant documents.

Department Response

The Department concurs with the report's conclusion that the Department is in compliance with the purchase order limitations established by the County.

M. Evaluate whether car maintenance is performed only on vehicles on Board-governed special districts/County Fire vehicle list.

Findings

It is a clear County policy that County facilities and personnel can only be used to maintain County owned vehicles. In some special situations, County facilities and personnel may be used to maintain vehicles owned by other governmental jurisdictions. Under no circumstances are privately owned vehicles, such as vehicles owned by County employees, to be maintained by County personnel. This is a clear County and Department policy.

Department vehicles are primarily maintained and repaired at the County motor pool facility and the Fire Department vehicle repair facility. Minor maintenance is performed, according to Department staff, at its Victorville and Crestline facilities.

County motor pool staff, Fire Department staff, and the Department maintain extensive records on services provided to specific vehicles. Their parts inventory is tracked to specific vehicles repaired and the corresponding work order.

We also note that the County has contracted with certain car wash vendors to allow county employees to have county vehicles washed at their facilities after having signed a log indicating the registration number of the vehicle being washed. The vendors forward these logs to the Department on a monthly basis, along with an invoice for their services. The Department pays this invoice.

Conclusion. KPMG found no evidence that car maintenance is being performed on privately owned vehicles by county staff. Systems are in place for monitoring the use of parts and supplies and vehicle repair logs that mitigate against unauthorized repair activities. Additionally, County policy is explicit in forbidding repair of privately owned vehicles. We should also note that possibly the best and only way to identify unauthorized repairs is by visual identification. A review of documents, repair logs and tracking systems may sometimes identify discrepancies, but they for the most part will only identify authorized and normal practices.

Department Response

The Department concurs with report's conclusion that car maintenance is performed exclusively on Department and District vehicles and is properly managed.

N. Review CSA 70 HL expenses to determine whether the current year budget is used to pay prior year's bills.

Findings

CSA 70 was formed to provide trash collection services to residents in the area now covered by this County Service Area.

Commencing in fiscal year 1993 and continuing through 1997, fees charged to CSA 70 HL by the contracted trash hauler increased with no corresponding increase in service fees collected by CSA 70. When current year service fees were no longer sufficient to pay the fees charged by the trash hauler, it became necessary for the Department to obtain "internal loans" from a revolving transportation fund to pay the trash hauler fees.

To correct this problem the Department developed financial analyses that identified the level of user fees needed to pay the fees charged by the trash hauler. It then met with CSA 70 residents regarding user fees that would need to be charged. The Department also started a search for a new trash hauler.

CSA 70 now has a contract with a new trash hauler. Important differences between the current contract and prior contract are that the prior contract, commencing in November 1993 had an annual cost of \$31,640, with annual increases based on changes in the Consumers' Price Index. There was no cap on the amount of increases allowed. The current contract with a new service provider commenced in April 1998 with an annual fee of \$21,432, with automatic annual increase of 5% to a maximum rate of \$25,000 in the fourth year of service.

In June 2002 the agreement with the new trash hauler was extended to June 2006. Under the new contract, the cost of service in the first year is estimated at \$26,051 with automatic increases each year of 5%, to a maximum amount of \$30,157 for the fourth year of service. There may also be supplemental costs for the extra lifts, removal of bulk items, appliances and tires. Total costs including supplemental costs are capped at \$33,000 per year.

KPMG reviewed CSA 70 financial reports for fiscal years 1990 through 2001. In fiscal years 1993 through 1997 there is evidence of internal transfers to handle the lack of sufficient service fees to pay the trash hauler. Commencing in fiscal year 1998 through 2001 there is evidence that there is sufficient service charge revenue to pay trash hauler fees.

Conclusion. The Department has resolved the problem that was occurring in CSA 70 HL. It has found a new trash hauler that charges a lower amount than the prior trash hauler and it has worked with CSA 70 residents to establish a new fee structure that is sufficient to pay for the services provided.

Department Response

The Department concurs with the report's conclusion that the previous funding issues for trashing hauling costs related to CSA 70 HL are resolved.

O. Evaluate whether new vehicles assigned to Division Chiefs are appropriate.

Findings

KPMG understands that the vehicles to be reviewed are four 4-wheel drive Ford Explorers that were purchased in June 2001. KPMG reviewed County purchasing procedures for vehicles and procedures taken by the Department to purchase these vehicles. We also compared these vehicles to vehicles previously used by Division Chiefs. We requested, but were unable to obtain, a listing of vehicles used by staff with similar responsibilities in other County Departments.

According to County policy, these vehicles are classified as Category V vehicles. As such, they can be used for commuting to/from work with very limited personal use. The vehicles are not to be used for general personal use, nor are they to be used by dependents. Additionally, the IRS established value of this commuting use is included in taxable income reported to the taxing authorities. As of 2001, the value is approximately \$666.00 per year.

To purchase these particular vehicles, the Department submitted a request through the County Motor Pool Department for 4-wheel drive SUV's (Pursuant to County policy 12-04 and 12-04 SP, the Department is exempt from using the Motor Pool Department). The Department's requisition stated 4x4 Chevrolet Blazers, however County purchasing policy is to obtain the best vehicles available at the time pursuant to basic identified technical specifications (e.g., 4X4 SUV). Based on County purchasing procedures, the County Purchasing Department identified the Ford Explorers as being an "approved vehicle" that could be purchased by the Department.

Additionally, purchases greater than \$25,000 require Board of Supervisors approval. These 4 vehicles were included in the Department budget for fiscal year 2000-2001 that was approved by the Board of Supervisors.

Division Chiefs who use these vehicles are responsible for Department operations throughout the County. They are allowed to use these vehicles to commute to and from work, with the understanding that work locations extend to all Department operations throughout the County.

According to Department staff, 4-wheel drive vehicle are necessary to transport staff to many meetings and site visits, day and night and in all types of weather, that occur in remote locations. They are also needed in case of natural disaster. Previously, these staff used 4-wheel drive Jeep Cherokees. Department staff also stated that these vehicles are available for use by any Department staff when not in use by Division Chiefs.

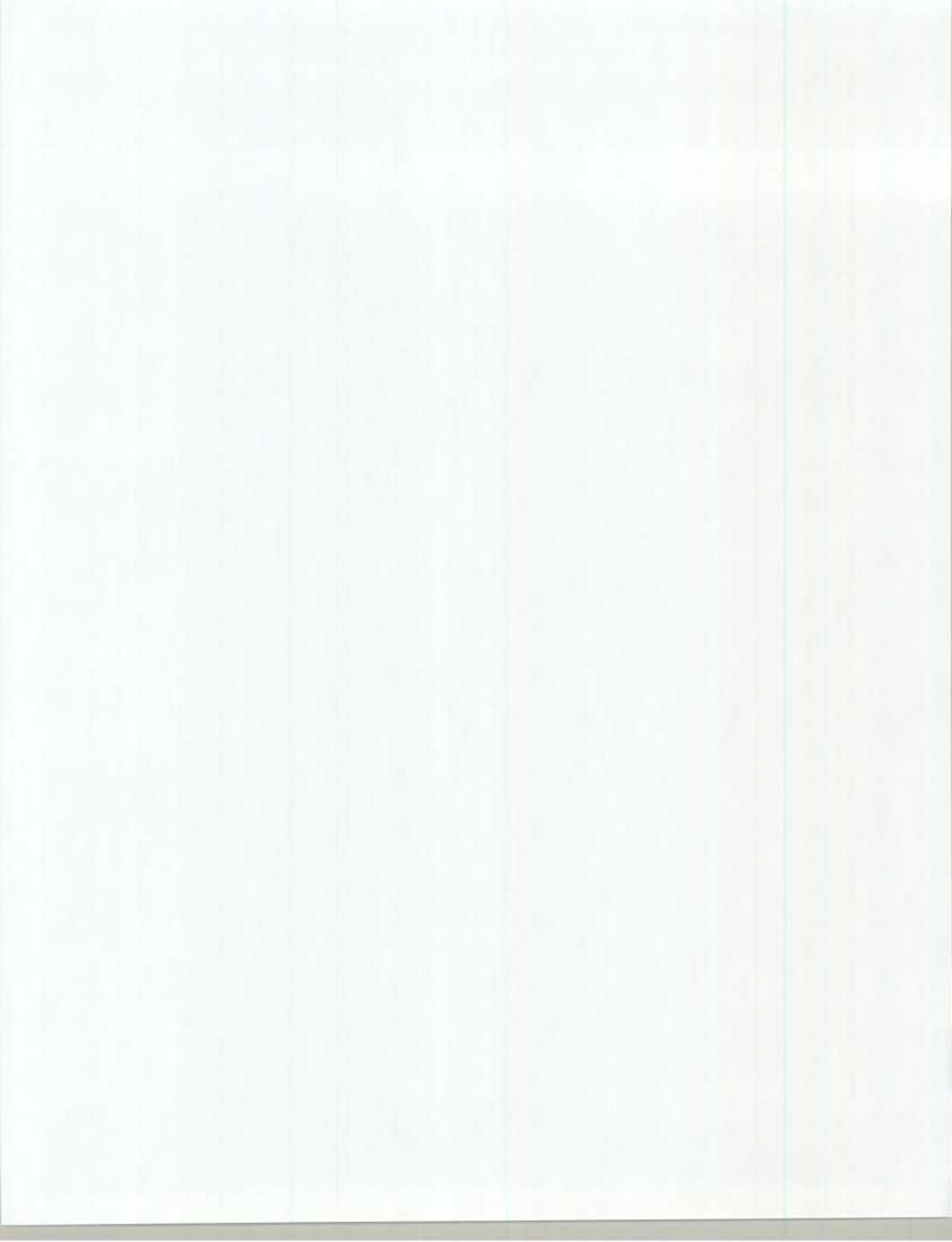
According to Department staff, it is also Department policy to use newly purchased vehicles for several years until they are substantially depreciated, and then give them to a Special District that cannot afford to buy new ones. This policy applied to these vehicles.

KPMG requested a listing of vehicles assigned to County staff with similar responsibilities in other County Departments. The intention was to compare vehicles to assigned to these staff with the vehicles assigned to Department Division Chiefs. We were informed that such a listing does not exist.

Conclusion. The Department followed County purchasing policies and procedures in purchasing these vehicles. Additionally, the Department has clear policies regarding the use of these vehicles and a rationale for their need. Should the Department and/or County desire, it could create a list of all vehicle assignments in all County departments. With this kind of list a comparison can be made of vehicle assignments to staff with similar responsibilities in other County Departments. This kind of comparison may also provide information as to the appropriateness of the vehicles assigned to Department Division Chiefs.

Department Response

The Department concurs with the report's conclusion that County purchasing policies and procedures related to the purchase of vehicles assigned to Division Chiefs were followed.



Appendix A

Employee Questionnaire
County of San Bernardino Special Districts Department
Used for Task F: Auditors are expected, in addition to other audit techniques, to conduct
interviews at all levels of the organizational hierarchy in the course of this audit.

Date: _____

Name: _____

Title: _____

Work Location _____

Years with the SDD _____

Years with the County _____

To whom do you report? _____ Title _____

What are your duties? _____

How did you learn them? (on the job, from supervisor, co-workers, manual, trial and error)

Do you supervise staff? _____

If so, how many? Names and titles and location? _____

Do you use any policy and procedures manuals? _____

If so, please describe. _____

What is the SDD's mission, goals, objectives? _____

Does your work unit have goals and objectives? Or work standards?

How do you determine if you are successful at what you do?

How are you evaluated by your supervisor?

Do you report any activity measures/counts?

What are the strengths of the
SDD? _____

What are areas that should be improved? _____

